



FOR IMMEDIATE RELEASE

March 14, 2011

CONTACT: Denise Schmidt (916) 322-9727

Health Net Security Breach May Affect California Enrollees More than 622,000 enrollees in DMHC-regulated products may be affected

(Sacramento) – In response to today's Health Net announcement regarding an information security breach, the California Department of Managed Health Care (DMHC) has launched an investigation into Health Net's security practices. The company announced today that nine of its server drives containing personal information for 1.9 million current and past enrollees nationwide are missing, including records for more than 622,000 enrollees in Health Net products regulated by the DMHC, more than 223,000 enrolled in California Department of Insurance products, and a number enrolled in Medicare. Health Net is conducting an investigation into the drives discovered missing from its Rancho Cordova data center.

"The DMHC has opened an investigation into Health Net's security practices," said DMHC spokesperson Lynne Randolph. "Health Net has agreed to provide two years of free credit monitoring services to its California enrollees, in addition to identity theft insurance, fraud resolution and restoration of credit files, if needed."

Health Net will begin sending notices to affected enrollees today. Individuals who need further information may visit the Health Net website at www.healthnet.com or call 1-855-434-8081.

The California Department of Managed Health Care is the only stand-alone HMO watchdog agency in the nation, touching the lives of more than 21 million enrollees. The DMHC has helped more than a million Californians resolve their health plan problems through its Help Center. The Department educates consumers on health care rights and responsibilities, and works closely with health plans to ensure a solvent and stable managed health care system.

Follow the DMHC on Twitter at: http://twitter.com/CADMHC

###